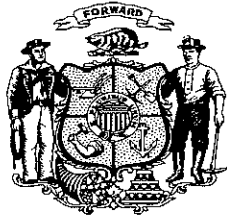


STATE OF WISCONSIN

SENATE CHAIR
Alberta Darling

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-9170



ASSEMBLY CHAIR
Robin Vos

309 East, State Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-8570

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative Robin Vos

Date: January 5, 2011

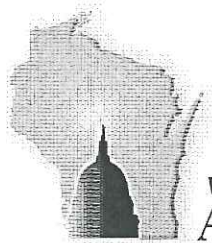
Re: DOA Report to JFC

Attached is a report on temporary reallocation of balances from the Department of Administration, pursuant to s. 20.002(11)(f), Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:RV;jm



WISCONSIN DEPARTMENT OF
ADMINISTRATION

JIM DOYLE
GOVERNOR

DANIEL J. SCHOOFF
SECRETARY

Office of the Secretary
Post Office Box 7864
Madison, WI 53707-7864
Voice (608) 266-1741
Fax (608) 267-3842

December 30, 2010

RECEIVED
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BY: St. Finance

Mr. Robert Marchant, Chief Clerk
Wisconsin Senate
B20 South, State Capitol
Madison, WI 53702

Mr. Patrick Fuller, Chief Clerk
Wisconsin Assembly
17 West Main Street, Room 401A
Madison, WI 53702

Dear Mr. Marchant and Mr. Fuller:

This report is transmitted as required by s. 20.002(11)(f), Wisconsin Statutes, (for distribution to the appropriate standing committees under s. 13.172(3), Wisconsin Statutes) and confirms that the Department of Administration has found it necessary to exercise the "temporary reallocation of balances" authority provided by this section in order to meet payment responsibilities and cover resulting negative cash balances during the month of November 2010.

On November 1, 2010, the **Worker's Compensation Fund** cash balance closed at a negative \$1.6 million (its intra-month low). This negative balance continued through November 16, 2010, when the fund's cash balance closed at a positive \$45 thousand. The negative balance was due to the difference in the timing of revenues and expenditures.

On November 1, 2010, the **Mediation Fund** cash balance closed at a negative \$35 thousand. This negative balance continued through November 19, 2010, when the fund's cash balance closed at a positive \$300 thousand. The **Mediation Fund** cash balance reached its intra-month low of a negative \$52 thousand on November 18, 2010. The negative balance was due to the difference in the timing of revenues and expenditures.

On November 22, 2010, the **Police and Fire Protection Fund** cash balance closed at a negative \$47.6 million (its intra-month low). This negative balance continued through November 30, 2010, when the fund's cash balance closed at a negative \$43.3 million. The negative balance was due to the difference in the timing of revenues and expenditures.

Mr. Robert Marchant
Mr. Patrick Fuller
Page 2
December 30, 2010

The Worker's Compensation Fund, Mediation Fund, and Police and Fire Protection Fund shortfalls were not in excess of the statutory interfund borrowing limitations and did not exceed the balances of the funds available for interfund borrowing.

The distribution of interest earnings to investment pool participants is based on the average daily balance in the pool and each fund's share. Therefore, the monthly calculation by the State Controller's Office will automatically reflect the use of these temporary reallocations of balance authority, and as a result, the funds requiring the use of the authority will effectively bear the interest cost.

Sincerely,

Daniel J. Schooff
Secretary of Administration